GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1199
ANSWERED ON:03.03.2016
Concessions to Cooperative Societies
Nete Shri Ashok Mahadeorao

Will the Minister of TEXTILES be pleased to state:

(a) the number of representations received by the Union Government to give more concessions to cooperative societies and other organisations of handloom weavers in the country during the last three years and the current year;

(b) the action taken by the Union Government thereon;

(c) the details of concessions being provided at present to handloom weavers; and

(d) the total number of handloom weavers from backward region benefited from such concessions ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a): The Govt. of India had approved Revival, Reform and Restructuring (RRR) Package for Handloom Sector in November, 2011, to waive off the overdue loans of primary weavers cooperatives, other weavers organizations and individual weavers and to subsidized institutional credit. The RRR package aimed at waiving the overdue loans and interest (100% principal and 25% interest to be borne by the Government of India and 75% interest and penal interest, if any, by the banks) to eligible handloom cooperative societies and individual weavers as on 31.3.2010, and providing of fresh credit with interest subsidy of 3% for 3 years with credit guarantee to the societies and weavers which are being benefitted under the RRR package. The representations/recommendations seeking more concessions and relaxations under RRR package were received afterwards and state-wise details thereof is given at Annexure-I.

(b) to (d): Based on the representations/recommendations received from the State Governments including Andhra Pradesh, Tamil Nadu, Kerala, Himachal Pradesh, Bihar, Odisha, Karnataka, Uttar Pradesh, West Bengal, Uttrakhand and Maharashtra, particularly relaxation of eligibility norms for potentially viable societies a revised proposal of RRR package was formulated and referred to the competent authority for approval. Government on 27.09.2013, approved the modifications proposed by the Ministry of Textiles in the form of Modified RRR package, as under:-

(i) To interpret the condition of eligibility regarding net worth as 'a society will be considered as potentially viable, if its net worth becomes positive after loan waiver and recapitalization.

(ii) The earlier criteria that 'society should not be incurring operating losses in more than 4 out of 5 years' modified as 'society should have earned operating profit in at least 1 out of 5 years and operating profit means 'gross profit before depreciation, interest and tax' for the purpose of assessing the viability norms.
(iii) The condition that working capital/CC limit should be rotated at least once in a year shall not be applicable where a society has not availed a loan from bank.
(iv) To limit the waiver amount of overdue loan and recapitalization assistance as on 31.3.2010 for apex, PWC societies and individual weavers not covered, so far, under the RRR package, while permitting the assessment of the same on the basis of statutory audit report upto 2011-12.
(v) The statutory audit of apex and PWC societies would be completed up to 2011-12 (instead of 2009-10 as specified in the earlier guidelines) and eligibility of cooperative societies would be decided on the basis of statutory audit report upto 2011-12 instead of 2009-10.
(vi) To provide term loans and working capital loans at the interest rate of 6% to handloom sector; the quantum of interest subsidy to be borne by the GOI will be limited to the difference between the actual rate of interest as applicable /charged by the Banks and 6% interest to be borne by the borrower. The maximum interest subvention would be
(vii) Margin money assistance @ Rs.10,000/- per weaver to individual weaver, their self-help groups and joint liability groups.
(viii) Credit guarantee for 3 years by Credit Guarantee Trust fund for Micro and Small Enterprises (CGTMSE) for which the required guarantee fee and annual service fee will be paid by the GoI.
(ix) Incentive to banks to engage Bunkar Facilitator @ 0.5% of loan amount disbursed subject to minimum of Rs. 200 and maximum of Rs. 2000 per WCC.

The coverage of beneficiaries have been completed on 28.02.2014. A total of 39 Apex Weavers Coop. Societies, 9642 Primary

Weavers Coop. Societies, 6310 Self Help Groups (SHGs) and 54226 individual weavers have been benefitted of the scheme from across the country (including from backward region), with financial implication of Rs.1089.90 crore. Apart from the above, loan is provided at 6% interest by way of interest subvention, under the Concessional Credit Component of National Handloom Development Programme. However, the Government of India interest subvention is capped at 7%. Status of Weavers Credit Card (WCC) and the amount sanctioned/disbursed during the last three years is as under:-

(Amount in lakh)

S.N.	Particulars	2012-13	2013-14	2014-15	2015-16(till 26.2.16)
1.	Nos. of WCC issued	53,629	71,643	79,210	36,095
2.	Loan amount sanctioned	17140.96	19428.80	23353.15	10901.89
3.	Loan amount disbursed	7983.13	14679.51	10068.80	7127.54